

# PRICE CONTRACT APPROVAL PROCESS

*Budget, Finance, and Economic Development Committee*  
*August 30<sup>th</sup>, 2022*



**LEXINGTON**



## Price Contract Bid Overview

- Bids to establish price contracts are typically issued for items or repetitive services
- Examples are janitorial supplies, office supplies, water pumps, fire turnout gear, mowing services, cleaning services
- Contracts may be awarded to one or multiple vendors or contractors
- Most contracts are established for one to two years
- Contracts are based on unit prices, are unilateral and there are no obligations to spend a specific amount
- Total amount spent will fluctuate depending on a Division's available budget – dollar amount not included in the resolution



## Price Contract Bid vs. Fixed Bid

- Fixed bids are typically used for a project (construction) or large ticket specialty items (large generator, audio visual equipment, bomb disposal equipment)
- Fixed bid items or projects are often listed as separate line items in the annual budget
- Fixed bids are awarded to one vendor/contractor
- Fixed bids are based on lump sums or totals and a dollar amount is included in the resolution

## Current Price Contract Approval Process

- Individual price contract bids are entered into Legistar and placed on the docket under Resolutions (Fixed bids and price contract bids currently follow the same process)
- Requires two readings
- Resolutions are created for each bid
- Central Purchasing processes approximately 80 to 120 price contract bids annually



## Proposed Price Contract Approval Process

- Remove price contract approvals from the resolution section
- Place the acceptance, approval and establishment of each price contract on the Mayor's Report for Council approval
- Include the name of the Department or Division for which the procurement is being made, a description of the goods or services being procured and the name(s) of the successful bidder(s)



## Reasons for the New Process

- Eliminate readings (saves time at Council Meetings)
- Shortens the overall bid process by one to two weeks
- All information included in a resolution will be included on the Mayor's Report
- Contracts are still approved by Council as part of the Mayor's Report
- Does not impact the bid appeal process
- Price contracts do not include dollar amounts and all budgets associated with price contract purchases are approved during the annual budgeting process



# Sample Mayor's Report

Sisters of the Bluegrass (\$1,400), for the Office of the Urban County Council, at a cost not to exceed the sums stated. [Council Office, Maynard]

## VIII. Communications From the Mayor

0352-22

- (1) Recommending the appointment of Michele Hill, filling the unexpired term of Ricky Pierce, to the Alarm Advisory Board, with term expiring July 1, 2023;
- (2) Recommending the appointments of Patricia Alcorn, filling the unexpired term of Ben Turpin, Stephen Overstreet, filling the unexpired term of Sharonda Steel, and Priscilla Willis, filling the unexpired term of Lewis Brown, to the Black & Williams Neighborhood Community Center Board, all with terms expiring January 1, 2025;

## IX. Communications From the Mayor - Price Contracts

0356-22

- (1) Accepting and approving the following bids and establishing price contracts for the following Departments or Divisions as to the specifications and amounts set forth in the terms of the respective bids:
  - (a) Division of Water Quality - Odor Control Chemicals - Aulick Chemical Solutions, Inc.;
  - (b) Division of Parks and Recreation - Outdoor Playground Equipment - BCI Burke Co., LLC; Bluegrass Recreational Sales, LLC; Weber Group

## X. Communications From the Mayor (For Information Only)

0357-22

- (1) Probationary Classified Civil Service Appointment of Debora Kyle, Customer Service Specialist, Grade 510N, \$17.111 hourly in the Div. of LexCall, effective April 4, 2022;



# Draft Ordinance

DRAFT 05-31-22

ORDINANCE NO. \_\_\_\_\_ - 2022

AN ORDINANCE CREATING SECTION 7-6 OF THE CODE OF ORDINANCES PROVIDING FOR AN ALTERNATIVE PROCESS FOR THE ACCEPTANCE, APPROVAL, AND ESTABLISHMENT OF PRICE CONTRACTS FOR PURCHASES FOR WHICH FUNDS HAVE BEEN BUDGETED THAT REQUIRES IDENTIFICATION OF THE DEPARTMENT OR DIVISION FOR WHICH THE PROCUREMENT IS BEING MADE AND A DESCRIPTION OF THE GOODS OR SERVICES BEING PROCURED, FOR INCLUSION ON THE MAYOR'S REPORT FOR COUNCIL APPROVAL, EFFECTIVE UPON PASSAGE OF COUNCIL.

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WHEREAS, it is more efficient and timely to have the option of using an approval process for budgeted price contracts that does not necessitate a separate resolution for each such procurement but still requires the approval of the Urban County Council; and

WHEREAS, including sufficient information on the Mayor's report for approval by Council ensures transparency with such procurement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That Section 7-6 of the Lexington-Fayette Urban County Government Code of Ordinances be and hereby is created to read as follows:



## Draft Ordinance Continued

### Sec. 7-6. Alternative Approval Process for Price Contracts.

- (a) For all purchases utilizing price contracts for which the funds have been budgeted, the administration may choose to place the acceptance, approval, and establishment of each price contract on the Mayor's Report for Council approval in lieu of creating a separate legislative matter for each procurement.
- (b) At a minimum, the following information must be provided for each procurement: the name of the department or division for which the procurement is being made, a description of the goods or services being procured, and the name(s) of the successful bidder(s).
- (c) The Urban County Council may take any appropriate action with respect to a price contract procurement item that is included in the Mayor's Report.

Section 2 - To the extent any ordinance or resolution is in conflict with the provision of this ordinance, the provisions of this ordinance shall take precedence.

Section 3 - If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4 - That this Ordinance shall become effective on the date of its passage.

# Questions?

